

SCB Range Settings for Platts Dubai Crude Oil, Gasoline and Kerosene

Along with the product transfer of rubber, precious metals and agricultural market divisions to Osaka Exchange (OSE) on July 27, 2020, the management of the energy market remaining at Tokyo Commodity Exchange (TOCOM) will also be integrated within OSE's business operations.

Accordingly, at the time of the integration, in order to clarify the operational criteria of SCB ranges for crude oil, a major international commodity, and major related commodities, we decided to **set the SCB ranges for Platts Dubai Crude Oil, Gasoline and Kerosene (*1) based on the settlement prices of Platts Dubai Crude Oil during and after the clearing period of July 27th, 2020 as shown below.**

*1 Except for Gas Oil, Cash-settled gasoline, kerosene and gas oil swaps, and Chukyo Gasoline and Kerosene.

1. Setting Method, etc.

(1) Criteria for SCB Range Expansion

① Trigger Criteria (Trigger Conditions) and Range of Expansion

If **any one of the contract months** of the Platts Dubai Crude Oil settlement prices reaches a Price Range higher than the current Price Range, the **SCB Range for all contract months of Platts Dubai Crude Oil, Gasoline and Kerosene** will be moved/expanded to the next higher SCB Price Range (please refer to the Appendix).

If/when the SCB range is expanded, the next measurements will start **from the clearing period that follows the clearing period where the criteria for trigger (trigger conditions) was met.**

② Timing of SCB Range Expansion

From the night session of the second business day after the clearing period during which the settlement price(s) caused the trigger of the expansion **(i.e. the clearing period of the business day immediately following the next business day).**

(2) Criteria for Reduction of SCB Range

① Trigger Criteria (Trigger Condition) and Range of Reduction

If the settlement prices of all the contract months of Platts Dubai Crude Oil fell in the Price Range lower than the current Price Range for **five business days in a row**, the **SCB Range for all the contract months of Platts Dubai Crude Oil, Gasoline and Kerosene** will be reduced to the SCB Range for Price Range immediately lower than the Price Range currently in effect (please refer to the Appendix).

If/when the SCB range is reduced, the next measurements will start **from the clearing period following the clearing period during which the criteria for triggering (trigger conditions) was met.**

② Timing of SCB Range Reduction

From the night session of the second business day after the clearing period during which the settlement price caused the trigger of the reduction **(i.e. the clearing period of the business day immediately following the next business day).**

If the Price Range of the settlement price of all the contract months of Platts Dubai Crude Oil fell two or more Price Range lower than the current Price Range, or the Price Ranges of contract months fell lower to multiple lower Price Ranges, the SCB Price Range immediately lower than the current Price Range in effect will be applied.

【Table: SCB Range Reflecting Price Range of Platts Dubai Crude Oil (Settlement Price) 】

Price Range for Platts Dubai Crude Oil (settlement Price)	SCB Range
Less than JPY 20,000	JPY 8,000
At/above JPY 20,000 and less than JPY 30,000	JPY 12,000
At/above JPY 30,000 and less than JPY 40,000	JPY 16,000
At/above JPY 40,000 and less than JPY 50,000	JPY 20,000
At/above JPY 50,000 and less than JPY 60,000	JPY 24,000
At/above JPY 60,000 and less than JPY 70,000	JPY 28,000
At/above JPY 70,000 and less than JPY 80,000	JPY 32,000
At/above JPY 80,000 and less than JPY 90,000	JPY 36,000
At/above JPY 90,000 and less than JPY 100,000 (※)	JPY 40,000

※ At and above, for every increase of price range by JPY 10,000, SCB Range will be increased by JPY 4,000.

2. Effective Period

From the clearing period of July 27, 2020

【Example of SCB Range Expansion Case】

If **any one of the contract month settlement price of the Platts Dubai Crude Oil** reached the higher Price Range from the Price Range currently in effect, SCB Range for all contract months of Platts Dubai Crude Oil, Gasoline and Kerosene will be expanded.

Pattern		3/2 Mon	3/3 Tue	3/4 Wed	3/5 Thu	3/6 Fri	3/9 Mon
Pattern 1 Moved up to the immediately higher Price Range on March 3rd	Settlement Price	JPY 48,000	JPY 51,000 Meets Expansion Criteria	JPY 52,000	JPY 52,000	JPY 52,000	JPY 52,000
	SCB Range	JPY 20,000	JPY 20,000	JPY 20,000	JPY 24,000 from Night Session	JPY 24,000	JPY 24,000
Pattern 2 Moved up to the second higher Price Range on March 3rd	Settlement Price	JPY 48,000	JPY 61,000 Meets Expansion Criteria	JPY 61,000 Meets Expansion Criteria	JPY 62,000	JPY 62,000	JPY 62,000
	SCB Range	JPY20,000	JPY20,000	JPY20,000	JPY 24,000, immediately higher SCB Range, from Night Session	JPY 28,000 from Night Session	JPY 28,000
Pattern 3 Moved up to the immediately higher Price Range on 3/3, then moved up again to higher Price Range on 3/4	Settlement Price	JPY 48,000	JPY 51,000 Meets Expansion Criteria	JPY 61,000 Meets Expansion Criteria	JPY 62,000	JPY 62,000	JPY 62,000
	SCB Range	JPY 20,000	JPY 20,000	JPY 20,000	JPY 24,000 from Night Session	JPY 28,000 from Night Session	JPY 28,000

【Example of Reducing SCB Range Case】

If **the settlement price of all the contract months** of Platts Dubai Crude Oil fell in the Price Range lower than the current Price Range for five business days in a row, the SCB Range for all the contract months of Platts Dubai Crude Oil, Gasoline and Kerosene will be reduced.

Pattern		3/2 Mon	3/3 Tue	3/4 Wed	3/5 Thur	3/6 Fri	3/9 Mon	3/10 Tue	3/11 Wed
Pattern 1 Fell to immediately lower Price Range for 5 days in a row from 3/3	Settlement Price	JPY 51,000	JPY 49,000 measuring starts	JPY 48,000	JPY 47,000	JPY 46,000	JPY 45,000 meets reduction criteria	JPY 45,000	JPY 45,000
	SCB Range	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 20,000 from Night Session
Pattern 2 Fell to immediately lower and second lower Price Range for 5 days in a row (including a case where each contract month fell in the same day)	Settlement Price	JPY 51,000	JPY 41,000 measuring starts	JPY 39,000	JPY 41,000	JPY 39,000	JPY 41,000 meets reduction criteria	JPY 39,000 second measuring starts	JPY 38,000
	SCB Range	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 20,000 from Night Session
Pattern 3 Fell to second lower Price Range for 5 days in a row from 3/3	Settlement Price	JPY 51,000	JPY 39,000 measuring starts	JPY 39,000	JPY 38,000	JPY 37,000	JPY 39,000 meets reduction criteria	JPY 39,000 second measuring starts	JPY 38,000
	SCB Range	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 24,000	JPY 20,000, immediately lower SCB Range, from Night Session